

## **SB218**

### **Community Development and Renewal Agency Amendments**

**February 9, 2007**

This bill modifies provisions relating to community development and renewal agencies.

- This bill allows an agency to use up to 20% of tax increment whether inside or outside of project areas for relocating mobile home park residents displaced by an urban renewal, economic development, or community development project.
- This bill allows an agency to use income targeted housing to relocate mobile home park residents displaced by an urban renewal, economic development, or community development project.
- The Utah code stipulates that an agency may not adopt the project area plan until the taxing entity committee approves the finding of blight, but this bill specifies that the taxing entity committee may not disapprove an agency's finding of blight unless the committee demonstrates that the blight conditions do not exist.
- According to this bill, an agency may adopt an urban renewal project area budget if the combined incremental value for the agency exceeds 10% of the total taxable value of property within the agency's boundaries if the project area includes some or all of a superfund site or an inactive industrial site.

Amendments in SB218 1<sup>st</sup> substitute allows an agency to use tax increment and sales tax proceeds from a taxing entity for the cost of the installation of publicly owned infrastructure and improvements outside the project area if the community legislative body consents and for an urban renewal or economic development project area, the taxing entity committee consents. This section eliminates the requirement for consent from a taxing entity committee for the use of tax increment and sales tax proceeds from certain infrastructure and improvements in a community development area.

If a taxing entity makes an election not to have its tax increment collected and used to pay funds to other taxing entities, the portion of that taxing entity's tax increment that would have been used by the agency to pay other taxing entities may not be collected by the agency.

This 1<sup>st</sup> substitute indicates that no person may contest the resolution or interlocal agreement to provide funds for the community development project area for any cause.

## **Impacts**

There may be more project areas approved since the taxing entity committees have to demonstrate that blight conditions do not exist. More projects may mean less tax revenues going to the school districts. If this bill passes, the taxing entity committees will need to spend time proving that those conditions do not exist.